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12 **UNITED STATES DISTRICT COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**

14 **SAN FRANCISCO DIVISION**

15 **SECURITIES AND EXCHANGE**
16 **COMMISSION,**

17 **Plaintiff,**

18 **v.**

19 **HERBERT RICHARD LAWSON,**
20 **WILLIAM B. LAWSON, and**
21 **JOHN J. CERULLO,**

22 **Defendants.**

Civil No. 3:14-cv-02157-EDL

**FINAL JUDGMENT AS
TO DEFENDANT
HEBERT RICHARD
LAWSON**

23 The Securities and Exchange Commission having filed a Complaint, and
24 Defendant Herbert Richard Lawson having entered a general appearance; consented to the
25 Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of
26 this Final Judgment without admitting or denying the allegations of the Complaint (except as to
27 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from
28 this Final Judgment:

I.

1
2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and
3 Defendant's agents, servants, employees, attorneys, and all persons in active concert or
4 participation with them who receive actual notice of this Final Judgment by personal service or
5 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section
6 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule
7 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of
8 interstate commerce, or of the mails, or of any facility of any national securities exchange, in
9 connection with the purchase or sale of any security:
10

- 11 (a) to employ any device, scheme, or artifice to defraud;
12 (b) to make any untrue statement of a material fact or to omit to state a material fact
13 necessary in order to make the statements made, in the light of the circumstances
14 under which they were made, not misleading; or
15 (c) to engage in any act, practice, or course of business which operates or would
16 operate as a fraud or deceit upon any person.
17

18 **II.**

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
20 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
21 participation with them who receive actual notice of this Final Judgment by personal service or
22 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities
23 Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the
24 use of any means or instruments of transportation or communication in interstate commerce or by
25 use of the mails, directly or indirectly:
26

- 27 (a) to employ any device, scheme, or artifice to defraud;
28

- 1 (b) to obtain money or property by means of any untrue statement of a material fact or
2 any omission of a material fact necessary in order to make the statements
3 made, in light of the circumstances under which they were made, not misleading;
4 or
5
6 (c) to engage in any transaction, practice, or course of business which operates or
7 would operate as a fraud or deceit upon the purchaser.

8 **III.**

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
10 21(d)(2) of the Exchange Act [*15 U.S.C. § 78u(d)(2)*] and Section 20(e) of the Securities Act [*15*
11 *U.S.C. § 77t(e)*], Defendant is prohibited from the date of entry of this Final Judgment from
12 acting as an officer or director of any issuer that has a class of securities registered pursuant to
13 Section 12 of the Exchange Act [*15 U.S.C. § 78l*] or that is required to file reports pursuant to
14 Section 15(d) of the Exchange Act [*15 U.S.C. § 78o(d)*].

16 **IV.**

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a
18 civil penalty in the amount of \$1,557,384.57 to the Securities and Exchange Commission
19 pursuant to Section 21A of the Exchange Act [*15 U.S.C. § 78u-1*]. Defendant shall make this
20 payment within 14 days after entry of this Final Judgment. Defendant may transmit payment
21 electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions
22 upon request. Payment may also be made directly from a bank account via Pay.gov through the
23 SEC website at <http://www.sec.gov/about/offices/ofm.htm>.
24
25 Defendant may also pay by certified check, bank cashier's check, or United States postal money
26 order payable to the Securities and Exchange Commission, which shall be delivered or mailed to
27
28

1 Enterprise Services Center
2 Accounts Receivable Branch
3 6500 South MacArthur Boulevard
4 Oklahoma City, OK 73169

5 and shall be accompanied by a letter identifying the case title, civil action number, and name of
6 this Court; Herbert Richard Lawson as a defendant in this action; and specifying that payment is
7 made pursuant to this Final Judgment.

8 Defendant shall simultaneously transmit photocopies of evidence of payment and case
9 identifying information to the Commission's counsel in this action. By making this payment,
10 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of
11 the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to
12 this Final Judgment to the United States Treasury. Defendant shall pay post-judgment interest on
13 any delinquent amounts pursuant to 28 USC § 1961.

14 **V.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
16 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant
17 shall comply with all of the undertakings and agreements set forth therein.

18 **VI.**

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
20 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.
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VII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED

Dated: May 20, 2014


UNITED STATES DISTRICT JUDGE